

Tobacco Spending Ballot Initiative Fact Sheet

- **Diverts more than \$300 million from critical state programs.** To protective vital health and education programs, this proposal would force lawmakers to cut more than \$300 million from the state budget. This spending will be constitutionally mandated, locked in whether it is effective or not.
- **Gives \$1 billion to an unaccountable private corporation.** Under this proposal about \$50 million annually for 20 years will be given to a secretive private group, shielded from oversight. This corporation is even protected from Michigan's Freedom of Information Act.
- **Breaks the promise to 250,000 students.** This diversion would immediately end the Michigan Merit Award program that has already provided \$2,500 college scholarships to more than 150,000 students who passed their high school proficiency tests. Another 250,000 students who have been promised the award will go empty-handed and may be unable to attend college.
- **No requirement that money be spent on health care.** Over 20 years, nearly \$2 billion will be doled out to hospitals, which have spent \$1 million to put this plan on the ballot. Contrary to many reports, hospitals are under no obligation to spend this money on tobacco-related costs or even on health care. The money could go for administrative salaries. Taxpayers won't know because there is no accountability for how the money is spent.
- **Michigan's anti-smoking campaign is working.** Because a generous portion of cigarette tax revenues is already devoted to stopping smoking, Michigan was able to spend \$29 million last year to fight smoking. Thanks in large measure to these efforts, adult smoking in Michigan has dropped 13 percent since 1998 and teen smoking has dropped 28 percent.
- **Hospitals are double dipping.** Hospitals have already been reimbursed for the cost of tobacco-related care. In fact, state taxpayers spent \$5 billion in the 1990s in smoking attributable Medicaid expenditures. The whole point of the tobacco lawsuit was to reimburse STATES and TAXPAYERS not hospitals that had already been paid for services rendered.
- **One out every four dollars is already spent on health care.** The state of Michigan is already spending \$9.1 billion on health care, double the amount spent just a decade ago. Even without this proposal health care spending is already spiraling out of control. This ballot measure will turn a funding crisis into a prescription for financial disaster.